#### Offer Description:

The State Children's Health Insurance Program (SCHIP) was created via Title XXI of the Social Security Act. Title XXI enables states to provide health care coverage to uninsured, targeted low-income children. Targeted low-income children are those children covered by Medicaid Expansion or a separate program called the Healthy and Well Kids in Iowa (*hawk-i*) program. The Medicaid Expansion component covers children ages 6 to 19 years of age whose countable family income is between 100% and 133% of the Federal poverty level and infants between 185% and 200% of the Federal poverty level. The *hawk-i* program provides health care coverage to children under the age of 19 whose countable family income is between 133% and 200% of the Federal poverty level who live in families who are not eligible for Medicaid and who are not covered under a group health plan or other insurance.

### SFY 2009 Enacted Budget (Status Quo Funding)

SCHIP/ <i>hawk-i</i>	\$13,868,885
Health Care Reform Bill General Fund	\$2,000,000
Field Support	\$84,443
General Admin	\$461,396
Total State \$ Appropriated:	\$16,414,724

#### At the SFY 2009 funding level:

- \* 10,974 children can be served in the *hawk-i* program, and
- \* 13,928 children and infants can be served in the Medicaid Expansion program in SFY 2010. This includes an additional 780 children and infants above the SFY 2009 ending enrollment. Although funded by SCHIP (Title XXI of the Social Security Act) rather than regular Medicaid (Title XIX of the Social Security Act), the Medicaid Expansion program is part of the Medicaid entitlement program. Consequently, the department must first utilize available funding to cover all children eligible under the Medicaid Expansion program before utilizing funds to cover children under *hawk-i*.

A funding level of \$13,868,885 does not allow for any growth in the *hawk-i* program in SFY 2010 and would require 11,910 children (52.05%) to be disenrolled from the *hawk-i* program effective July 1, 2009. A waiting list would need to be implemented at the 10,974 enrollment level. Additionally, the outreach contract with the Iowa Department of Public Health and all other outreach, would need to be terminated.

Federal authority and funding for the Title XXI (SCHIP) program currently exists only through March 31, 2009. Federal legislation is required to continue Federal authority and funding for the program beyond this date. As of the publication of this budget offer, no decision has been made about the reauthorization of Federal funding for SCHIP. If adequate Federal funds are not authorized after March 2009, the State will have to take one or more of the following actions:

- \* Replace the federal funding shortfall with State-only funds.
- \* Freeze enrollment to use available funding to continue serving children that are currently enrolled and implement a waiting list.
- \* Disenroll children from the program.
- \* Reduce benefits and/or increase cost sharing for families.
- \* Eliminate the separate *hawk-i* program and go to a pure Medicaid expansion option.

# Funding need for SFY 2010 Current Service Level -

Decision Package	Decision Package Description	 Amount
1	Maintain services to 22,884 children (projected SFY 2009 ending enrollment) in the <i>hawk-i</i> program (serving children from 133% to 200% of FPL). This package would allow funding for an additional 11,910 children above the 10,974 that could be served at the status quo funding level, to 22,884. If this is the only package that is approved, a waiting list would have to be implemented at the SFY 2009 ending enrollment of 22,884 children.	\$ 7,803,842
2	Allow growth of 780 children in the <i>hawk-i</i> program (serving children from 133% to 200% of FPL) in SFY 2010 from 22,884 children to a SFY 2010 ending enrollment of 23,664.	\$ 276,850
3	Continue the outreach contract with Department of Public Health in SFY 2010.	\$ 128,950
4	Continue expanded enrollment efforts from SFY 2009.	\$ 90,050
5	Carry forward SFY 2009 <i>hawk-i</i> trust fund dollars (this package assumes that Federal funding will be available and adequate to maintain the program through the end of SFY 2009).	\$ (2,500,000)
	Total Requested for Current Service Level Funding:	\$ 5,799,692

### **Funding for Improved Results**

Decision Package	Decision Package Description	Amount
6	Iowa's Governor and legislature have demonstrated a strong commitment to cover all uninsured Iowa children. 2008 Iowa Acts, S.F. 2425 authorized additional funding in SFY 2009 for coverage of uninsured children under the existing SCHIP programs. In addition, 2008 Iowa Acts, HF 2539 creates a <a href="https://hawk-i">hawk-i</a> expansion program beginning July 1, 2009, to provide coverage to children who meet <a hawk-i"="" href="https://hawk-i&lt;/a&gt; eligibility criteria but whose family income is at or below three hundred percent of the federal poverty level. HF 2539 includes appropriations for SFY 2009, 2010 and 2011 to meet the bill's purpose of enrolling additional children in Medicaid, &lt;a href=">hawk-i</a> and the new <a href="hawk-i">hawk-i</a> expansion program. The SFY 2010 appropriation exceeds the 2009 appropriation by \$10 million. The department intends to work with legislative leadership to clarify how this funding is intended to be used.  Note: With Federal reauthorization of the Title XXI (SCHIP) program pending and uncertainty if states will be allowed to expand coverage to children above 250% of the Federal poverty level, 100% State funds may need to be appropriated to cover some or all of the costs of the expansion population.	\$ 10,000,000

**Total Requested for Improved Results Funding:** \$ 10,000,000

Genreral Fund Total \$32,214,416

**This offer assumes full Federal funding.** SCHIP is due to be reauthorized in FFY 2009. The Department assumes that SCHIP will be reauthorized and that Iowa will receive adequate federal funding to cover current enrollment plus projected growth in the Medicaid expansion and *hawk-i* programs.

**SCHIP SFY 2010 Budget Need** 

Funding Source	Assumes Full Federal Funding for SFY 2010
State General Fund	\$30,214,416
Health Care Reform Bill General Funds	\$2,000,000
Estimated SFY 2009 Carry Forward	\$2,500,000
Total State Funds	\$34,714,416
(Title XXI) and Other Federal Funds	\$70,376,610
Total Federal Funds	\$70,376,610
Other Funds (County for Field)	\$9,050
Total	\$105,100,076

Of this amount, \$103,712,978 or over 98.6% represents direct or indirect services and benefits to Iowa children, while \$1,387,098 or less than 1.4% represents Department personnel and other administrative costs.

# **Total Funding Summary:**

State Funding To	al: \$34,714,416
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Breakout:	Program	G	eneral Admin	Field
General Fund	\$31,668,577	\$	461,396	\$ 84,443
SLTF				
Tobacco				
IowaCare				
Other	\$ 2,500,000			
Total	\$ 34,168,577	\$	461,396	\$ 84,443

Other state funding includes \$2,500,000 from *hawk-i* trust fund carryforward.

	Federal Funding Total:								
		Program	Gei	neral Admin		Field			
TANF									
SSBG									
Other Federal	\$	69,544,401	\$	757,724	\$	74,485			
Total	\$	69,544,401	\$	757,724	\$	74,485			

	Other Funding Total	:				\$9,050
	Program	General Admin	Field			
County Funds			\$	9,050	County	

Totals	Program	Ge	neral Admin	Field	Offer Total
Totals	\$ 103,712,978	\$	1,219,120	\$ 167,978	\$105,100,076

# FTEs included in offer:

FTEs	Admin	Field
	3.56	2.21
	Program	Other